

Date
May 11, 2006
Your Date

Reference

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Attending to this matter
KI/LME/DC Roland Hagman

Dennis Johnson
Senior Portfolio Manager
California Public Employees' Retirement
System
Lincoln Plaza East
400 Q Street, Suite E4800
Sacramento, CA 95814
USA

Dear Sirs,

Re. Telefonaktiebolaget LM Ericsson shareholding

With reference to your letter dated April 13, 2006 to Carl-Henric Svanberg, please find enclosed our response to the questions set out therein.

Please do not hesitate to contact me should you require additional clarifications or information.

Sincerely yours,

TELEFONAKTIEBOLAGET LM ERICSSON



Roland Hagman
Vice President, Group Controller

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- 1) Does Ericsson, a subsidiary of Ericsson, or joint venture thereof ("Affiliated Business Entity") engage in any direct or indirect business activity in Sudan? If yes, identify the name and nature of such business and how long has such business been taking place?

Ericsson distributes switching equipment for fixed telephony and mobile GSM systems in Sudan. The services provided are in the nature of installation and support of the equipment delivered.

Ericsson commenced operations in Sudan through the establishment of a branch of Ericsson AB in 2002.

Ericsson's customers in Sudan are Sudanese Telecom Co Ltd ("Sudatel"), a fixed-line telecommunications provider, and Sudanese Mobile Telecom Co Ltd ("Mobitel"), a GSM operator. Sudatel is partially owned by the Government of Sudan but also has a number of both national and international institutional and private investors. Ericsson has been advised that state ownership of Sudatel is approximately 30%. Mobitel was previously owned by Sudatel and the pan-African mobile operator Celtel but was acquired in February 2006 by the Kuwaiti based telecom operator MTC.

- 2) What portion of Ericsson's or any Affiliated Business Entity's current revenue stream is from any direct or indirect business activity in Sudan, and what portion of the company's or Affiliated Business Entity's total assets were used to earn said revenue?

Sales into Sudan for 2005 were well below 1% of the group sales. Since Ericsson is delivering standard products into Sudan, amount of assets used is negligible.

- 3) Has Ericsson or any Affiliated Business Entity made a capital investment in Sudan?

As of 31 December 2005, net assets in Sudan were significantly less than USD 1 million.

- 4) Has any Ericsson or Affiliated Business Entity entered into any licensing agreement with the Sudan government in order to engage in current or future business activities?

Ericsson holds a license to operate in Sudan. No other licensing arrangements have been made.

- 5) Is Ericsson or Affiliated Business Entity doing any business with a corporation that is owned by the Sudan government?

See above, question 1.

- 6) How many Ericsson or Affiliated Business Entity employees are in Sudan?

Ericsson presently has about 25 employees in Sudan.

- 7) What fees and/or taxes do Ericsson and/or any Affiliated Business Entity pay to the Sudan government and what are the fees and/or taxes for?

Ericsson pays customary fees and taxes for its operations in Sudan

- 8) Has your company adopted and implemented policies and procedures for operating in Sudan?

Ericsson's operations worldwide are governed by the Ericsson Group Management System and in particular the Ericsson Operational Model. One of the purposes of the Ericsson Operational Model is to secure the adherence to applicable laws and regulations including trade regulations.

Ericsson is committed to meeting high standards of corporate governance within the legal and regulatory frameworks that we are subject to. Within the corporate governance system, Ericsson's Code of Business Ethics and Conduct (the "CBEC") contains rules regarding individual and peer responsibilities, as well as responsibilities to our employees, customers, suppliers, shareholders and other stakeholders. The CBEC satisfies the applicable requirements of the Sarbanes-Oxley Act of 2002 and of NASDAQ.

One of the guiding principles of the CBEC is treating employees with respect and protecting human rights. In addition, Ericsson takes active measures to protect human rights within its business operations. Ericsson was one of the first companies to support the United Nations Global Compact, and has implemented the CBEC globally in order to protect human rights, promote freedom of association, ensure responsible management of environmental issues and prevent corruption. The CBEC is valid for all employees as well as suppliers (and their subcontractors), and is based on the United Nations Global Compact's ten principles, derived from: The Universal Declaration of Human Rights, the International Labor Organization's Declaration of Fundamental Principles and Rights at Work, The Rio Declaration on Environment and Development and the United Nations Convention Against Corruption. The CBEC can be found at www.ericsson.com/ericsson/corpinf/doc/code_business_ethics.pdf and further information regarding corporate responsibility within the Ericsson Group is available at www.ericsson.com/ericsson/corporate_responsibility/.

- 9) Has Ericsson or any Affiliated Business Entity done anything to promote and/or protect human rights from the atrocities taking place in Sudan?

The Ericsson Group is providing humanitarian aid on a global basis through Ericsson Response, an initiative aimed at responding to human suffering caused by disasters. The program is executed in close cooperation with international organizations such as the UN, the International Federation of Red Cross and the Red Crescent Societies. To support the expansion of humanitarian activities in mid-2004, in particular with regard to the conflict in the Greater Darfur region, an Ericsson Response volunteer was seconded to the World Food Programme (WFP) and joined the information and communications technology team in Khartoum.

Ericsson Response is currently evaluating sending an additional volunteer to set up a GSM system in southern Sudan for use by humanitarian organization in Juba, in cooperation with UN Office Coordination of Humanitarian Affairs. However we are still waiting for clearance from the UN.